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C O N F I D E N T I A L PRAGUE 000230

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STATE FOR EUR/FO, EUR/NCE, EUR/ERA

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TAGS: ECON EZ PREL

SUBJECT: CZECH REPUBLIC: DEPUTY VICE PRIME MINISTER SEDIVY

ON "EU WITHOUT BARRIERS" PRESIDENCY THEME

REF: PRAGUE 103

Classified By: Political-Economic Counselor Michael Dodman for reasons 1.4 B & D

- 11. (C) Visiting EUR/NCE Director Judy Garber met with Deputy Vice Prime Minister Dr. Jiri Sedivy March 2 to discuss Czech preparations for the rotating EU Presidency during the first half of 2009. As reported in reftel, Sedivy, who was formerly Defense Minister under the previous unconfirmed Topolanek government, is now one of two Deputies to Vice Prime Minister for EU Affairs Sasa Vondra. Last week, the government approved the 20 point agenda for the Czech EU presidency January June 2009 under the title of "EU Without Barriers," which Sedivy explained as the roadmap for full implementation of the four freedoms (especially in services and labor) under the EU. Sedivy said that the success of the Czech EU presidency will be measured by how it manages the upcoming EU budget reform since that will leave a significant (hopefully positive) Czech footprint on the EU.
- 12. (C) Vondra's office will replace the MFA in running the Czech EU Council -- an interagency group that meets weekly at the Deputy Minister level to decide on policy positions and instructions for the Czech Mission to the EU. Sedivy chairs this group and arbitrates interagency disputes on issues so that decisions to interject national political interests, forcing the Council to "see the forest rather than the trees." When asked about an example of a recent interagency dispute he had to arbitrate, Sedivy said there was a dispute between the Ministry of Agriculture and the Ministry of the Environment regarding whether to support the EC's demand that Hungary lift its ban on biotech corn. Despite Czech support for GMOs, the Council decided to support the Hungarians for "political reasons," which post will report septel.
- 13. (C) Sedivy is also responsible for developing the Czech position on the EU Constitutional Treaty. Despite loud and public euro-skeptic views of Czech President Vaclav Klaus, Sedivy said the Czechs would not take any "radical action." Instead, the Czechs preferred to be "inventive" in terms of presentational changes (i.e. unbundling). Expressing his personal views, Sedivy lamented that certain public officials were misrepresenting the EU constitution and spreading the myth of the EU constitution as an instrument of stealth enlargement. Sedivy pointed to all those countries that had already ratified the EU Constitution and reminded that the Czech population was very pro-EU in contrast to public official's positions.
- 14. (C) As reported in reftel, Sedivy confirmed that the office is divided into two section: (1) Organizational Unit for the Presidency & PR under former Deputy Finance Minister Jana Hendrichova, which will disappear once the Czech Presidency is over; (2) Policy or "intellectual" branch responsible for the concept and content for the EU agenda

which will remain after the Czech EU presidency since, according to Sedivy, the newly-created Vice PM for EU Affairs will remains as a permanent institution.

 $\underline{\mbox{\bf 1}}\mbox{\bf 5.}$ (U) EUR/NCE Director Judy Garber has cleared this cable. MUNTER